

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2426

January 8, 2010

SUMMARY OF BILL: Authorizes the trustees of the Sick Leave Bank to award leave in excess of 90 days under extenuating circumstances.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$147,600

Assumptions:

- According to the Department of Human Resources, there are approximately 21,000 members of the state sick leave bank. There is an average of 105 members paid out of the sick leave bank each pay period.
- The Sick Leave Bank (Bank) Board of Trustees has the authority to grant or deny appeals and will have the authority to determine the number of additional days, if any, that will be granted under extenuating circumstances.
- The maximum amount of days currently granted per application is 30 days before a second or third application to withdraw is required to be filed by the member.
- An average of 97 members had exhausted the 90 day maximum withdraw limit for their condition for the past three calendar years (2007 = 101, 2008 = 98, 2009 = 93).
- Approximately 100 additional appeals per calendar year.
- An average of 20 percent of all appeals will be granted an additional 30 days sick leave from the bank.
- According to the Department, as of December 1, 2009, the average state employee salary was \$39,442. Daily average salary is \$151.70 [$\$39,442 / (52 \text{ weeks} \times 5 \text{ days})$].
- The recurring increase to state expenditures for additional sick leave benefits paid to bank members is estimated at \$91,020 [$(\$151.70 \times 30 \text{ days}) \times 20 \text{ employees}$].
- According to the Department, the sick leave bank employs three full time employees, and four additional employees contribute a percentage of their time to sick leave bank functions.
- According to the Department, the workload resulting from the additional appeals can not be handled with the existing staff and another position will be necessary. The recurring increase in state expenditures for the additional position is estimated at \$56,567 (\$40,416 salary + \$9,118 benefits + \$5,233 insurance + \$1,800 computer and telephone.)
- Total recurring increase to state expenditures is estimated at \$147,587 (\$91,020 sick leave + \$56,567 additional position).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

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